H. R. 2583

AN ACT

To amend title VII of the Public Health Service Act to establish a loan program for eligible hospitals to establish residency training programs.

1   *Be it enacted by the Senate and House of Representa-*

2 *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the "Physician Workforce

3 Enhancement Act of 2008".

4 **SEC. 2. HOSPITAL RESIDENCY LOAN PROGRAM.**

5 Subpart 2 of part E of title VII of the Public Health

6 Service Act is amended by adding at the end the following

7 new section:

8 **"SEC. 771. HOSPITAL RESIDENCY LOAN PROGRAM.**

9 "(a) ESTABLISHMENT.—Not later than October 1,

10 2010, the Secretary, acting through the Administrator of

11 the Health Resources and Services Administration, shall

12 establish a hospital residency loan program that provides

13 loans to eligible hospitals to establish a residency training

14 program.

15 "(b) APPLICATION.—No loan may be provided under

16 this section to an eligible hospital except pursuant to an

17 application that is submitted and approved in a time, man-

18 ner, and form specified by the Administrator of the Health

19 Resources and Services Administration. A loan under this

20 section shall be on such terms and conditions and meet

21 such requirements as the Administrator determines appro-

22 priate, in accordance with the provisions of this section.

23 "(c) ELIGIBILITY; PREFERENCE FOR RURAL

24 AREAS.—

25 "(1) ELIGIBLE HOSPITAL DEFINED.—For pur-

26 poses of this section, an 'eligible hospital' means,

1 with respect to a loan under this section, a public or

2 non-profit hospital that, as of the date of the sub-

3 mission of an application under subsection (b),

4 meets, to the satisfaction of the Administrator of the

5 Health Resources and Services Administration, each

6 of the following criteria:

7   "(A) The hospital does not operate a resi-

8   dency training program and has not previously

9   operated such a program.

10   "(B) The hospital has secured initial ac-

11   creditation by the American Council for Grad-

12   uate Medical Education or the American Osteo-

13   pathic Association.

14   "(C) The hospital provides assurances to

15   the satisfaction of the Administrator of the

16   Health Resources and Services Administration

17   that such loan shall be used, consistent with

18   subsection (d), only for the purposes of estab-

19   lishing and conducting an allopathic or osteo-

20   pathic physician residency training program in

21   at least one of the following, or a combination

22   of the following:

23   "(i) Family medicine.

24   "(ii) Internal medicine.

25   "(iii) Obstetrics or gynecology.

1   "(iv) Behavioral or Mental health.

2   "(v) Pediatrics.

3   "(D) The hospital enters into an agree-

4   ment with the Administrator that certifies the

5   hospital will provide for the repayment of the

6   loan in accordance with subsection (e).

7   "(2) PREFERENCE FOR RURAL AREAS.—In

8 making loans under this section, the Administrator

9 of the Health Resources and Services Administration

10 shall create guidelines that give preference to rural

11 areas (as such term is defined in section

12 1886(d)(2)(D) of the Social Security Act).

13   "(d) PERMISSIBLE USES OF LOAN FUNDS.—A loan

14 provided under this section shall be used, with respect to

15 a residency training program, only for costs directly at-

16 tributable to the residency training program, except as

17 otherwise provided by the Administrator of the Health Re-

18 sources and Services Administration.

19   "(e) REPAYMENT OF LOANS.—

20   "(1) REPAYMENT PLANS.—For purposes of

21   subsection (c)(1)(D), a repayment plan for an eligi-

22   ble hospital is in accordance with this subsection if

23   it provides for the repayment of the loan amount in

24   installments, in accordance with a schedule that is

25   agreed to by the Administrator of the Health Re-

1 sources and Services Administration and the hospital

2 and that is in accordance with paragraphs (2), (3),

3 and (4).

4 ''(2) COMMENCEMENT OF REPAYMENT.—Re-

5 payment by an eligible hospital of a loan under this

6 section shall commence not later than the date that

7 is 18 months after the date on which the loan

8 amount is disbursed to such hospital.

9 ''(3) REPAYMENT PERIOD.—A loan made under

10 this section shall be fully repaid not later than the

11 date that is 24 months after the date on which the

12 repayment is required to commence.

13 ''(4) LOAN PAYABLE IN FULL IF RESIDENCY

14 TRAINING PROGRAM CANCELED.—In the case that

15 an eligible hospital borrows a loan under this sec-

16 tion, with respect to a residency training program,

17 and terminates such program before the date on

18 which such loan has been fully repaid in accordance

19 with a plan under paragraph (1), such loan shall be

20 payable by the hospital not later than 45 days after

21 the date of such termination.

22 ''(f) NO INTEREST CHARGED.—The Administrator of

23 the Health Resources and Services Administration may

24 not charge or collect interest on any loan made under this

25 section.

1 "(g) LIMITATION ON TOTAL AMOUNT OF LOAN.—
2 The cumulative annual dollar amount of a loan made to
3 an eligible hospital under this section may not exceed
4 $250,000.

5 "(h) PENALTIES.—The Administrator of the Health
6 Resources and Services Administration shall establish pen-
7 alties to which an eligible hospital receiving a loan under
8 this section would be subject if such hospital is in violation
9 of any of the criteria described in subsection (c)(1). Such
10 penalties shall include the charge or collection of interest,
11 at a rate to be determined by the Administrator of the
12 Health Resources and Services Administration. Except as
13 otherwise provided, penalties collected under this sub-
14 section shall be paid to the Administrator of the Health
15 Resources and Services Administration and shall, subject
16 to appropriation Acts, be available until expended for the
17 purpose of enforcing the provisions of this section.

18 "(i) REPORTS.—Not later than January 1, 2012, and
19 annually thereafter (before January 2, 2014), the Admin-
20 istrator of the Health Resources and Services Administra-
21 tion shall submit to Congress a report on the efficacy of
22 the program under this section in increasing the number
23 of residents practicing in each medical specialty described
24 in subsection (c)(1)(C) during such year and the extent
25 to which the program resulted in an increase in the num-

1 ber of available practitioners in each of such medical spe-

2 cialties that serve medically underserved populations.

3   "(j) FUNDING.—

4   "(1) AUTHORIZATION OF APPROPRIATIONS.—

5 For the purpose of providing amounts for loans

6 under this section, there are authorized to be appro-

7 priated such sums as may be necessary to provide—

8   "(A) $8,000,000 in loans for fiscal year

9 2010;

10   "(B) $8,400,000 in loans for fiscal year

11 2011;

12   "(C) $8,820,000 in loans for fiscal year

13 2012;

14   "(D) $9,261,000 in loans for fiscal year

15 2013; and

16   "(E) $9,724,050 in loans for fiscal year

17 2014.

18   "(2) AVAILABILITY.—Amounts appropriated

19 under paragraph (1) shall remain available until ex-

20 pended.

1   "(k) TERMINATION OF PROGRAM.—No loan may be

2 made under this section after December 31, 2013.".

Passed the House of Representatives September 23, 2008.

Attest:

Clerk.

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